

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2018-72-E - ORDER NO. 2018-599
SEPTEMBER 20, 2018

IN RE: Application of Duke Energy Carolinas, LLC) ORDER APPROVING
for Approval of Rider 10, Demand-Side) RIDER 10
Management and Energy Efficiency for 2019)

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Application of Duke Energy Carolinas, LLC (“Duke” or “the Company”) for approval of Demand-Side Management (“DSM”) and Energy Efficiency (“EE”) Rider 10 (“Rider 10”).

Calculations for Rider 10 were computed in accordance with the Amended Application, testimony and the Commission’s Order in Docket No. 2013-298-E. The specific components of Rider 10 include:

- a. Year 2014, January 2014 – December 2014: true-up of shared savings and Year 4 lost revenues.
- b. Year 2015, January 2015 – December 2015: true-up of shared savings, true-up of Year 1, Year 2 and Year 3 lost revenues.
- c. Year 2016, January 2016 – December 2016: true-up of shared savings, true-up of Year 1 and Year 2 lost revenues and an estimate of Year 4 lost revenues.
- d. Year 2017, January 2017 – December 2017: true-up of program costs, shared savings and Year 1 of lost revenues and an estimate of Year 3 lost revenues.
- e. Year 2018, January 2018 – December 2018: estimate of Year 2 lost revenues.

- f. Year 2019, January 2019 – December 2019: estimate of program costs, shared savings, and Year 1 lost revenues, as well as an estimate of 2019 existing DSM program costs.

The revenue Duke Energy Carolinas proposes to recover through the proposed Rider 10 is \$48,552,591 for Residential Customers and \$71,201,272 for Non-Residential Customers.

A Notice of Filing was published in newspapers of general circulation in the Company's service area. A Joint Petition to Intervene was filed and subsequently granted as to Wal-Mart Stores East, LP and Sam's East, Inc. A second Joint Petition to Intervene was filed and subsequently granted as to the Southern Alliance for Clean Energy and the South Carolina Coastal Conservation League. The Office of Regulatory Staff ("ORS") is a party to this proceeding as per S.C. Code Ann. § 58-4-10(B).

Duke moved for expedited review of this matter, which includes a waiver of hearing. Under the terms of S.C. Code Ann. § 58-27-870(F), a proposed rate may be put into effect without a hearing, *inter alia*, when the proposed rate does not require a determination of the entire rate structure and overall rate of return, and when the new rate will facilitate an orderly rate administration, all of which are true in this case. Further, since there are also no objections from the parties, the waiver of the hearing is granted.

According to the Amended Application, the recovery mechanism of the EE/DSM portfolio has three components: (1) recovery of the costs the Company incurs to offer and deliver EE and DSM programs to customers; (2) recovery of net lost revenues incurred for up to thirty-six (36) months of a measure's life for EE programs; and (3) a shared savings

incentive that is equivalent to 11.5% of net savings achieved through the Company's portfolio of EE/DSM programs.

The ORS filed its review report, which made one recommendation for an adjustment to the proposal, an adjustment of \$514,910 to the total residential revenue requirement to correct a formula error by removing costs for solar access fees. The Company has agreed to accept this adjustment, and the resulting rate revisions. Also, the Commission has examined the adjustment to the Company's proposal, and we approve it as filed, and as reasonable under the circumstances described. The effect of this adjustment on the billing factors originally proposed and the resultant billing factors are as follows, stated in cents per kWh:

<u>DSM/EE Rider</u>	<u>Requested 2019 Rate</u>	<u>Adjusted 2019 Rate</u>
Residential	0.7463	0.7384
Non-Residential	1.6006	1.6006

We note that this cost recovery encompasses twenty-three DSM/EE programs. ORS reports that the currently active programs are performing well.

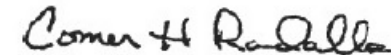
According to ORS, the Company reports that realized cumulative energy savings for the Company's portfolio of programs have exceeded the anticipated energy savings by approximately sixty-five percent (65%). Although the number of non-residential opt-outs has increased, the Company has responded by creating an additional opt-in window and by adding programs that target non-residential customers. We have examined the proposed rates as adjusted by ORS and agreed to by the Company, and hereby adopt them as described above, including both the requested 2019 residential rate, and the 2019 non-residential rate, as adjusted.

Further, we appreciate the collaborative nature of these proceedings and encourage Duke to continue to consider the comments and recommendations made by the Intervenors.

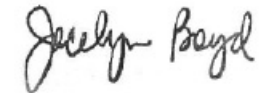
IT IS THEREFORE ORDERED:

1. That Duke's request to implement Rider 10 is approved, subject to the ORS adjustment. The rider shall be in effect from January 1, 2019, to December 31, 2019, or until further order of the Commission.
2. That Duke shall file its tariff for the approved rates on or about December 1, 2018, using the Commission's E-Tariff filing system. The tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.
3. That this Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


Comer H. "Randy" Randall, Chairman

ATTEST:


Jocelyn Boyd, Chief Clerk/Administrator